



**Providing the Pieces for Sustainable Homeownership
Foreclosure Prevention Workshops
April 25, 2011**

HUD regrets that the USDA representative was unable to participate in the workshop. However, he did furnish the attached overview of USDA loan programs which we hope you find helpful.

If your mortgage is a USDA direct loan, you should contact USDA's Centralized Servicing Center at 1-800-414-1226.

If your mortgage is guaranteed by USDA, contact your servicing lender for assistance. You may also benefit by talking with a HUD-approved housing counseling agency to help you understand what options might be available to you.

If you wish to contact the Georgia Office of USDA – Rural Development, please see information below.

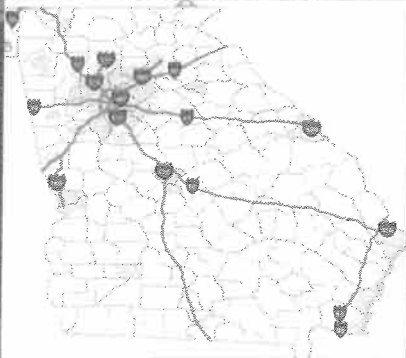
Single Family Housing Programs
Rural Development
U.S. Department of Agriculture
355 E Hancock Ave - Stop 306 | Athens, GA 30601
Phone: 706.546.2022 | Fax: 706.613.3046
www.rurdev.usda.gov



USDA, Rural Development

Single Family Housing
Quick overview of the Direct and
Guaranteed Programs

Rural Areas Only (yellow)



Several Housing Programs

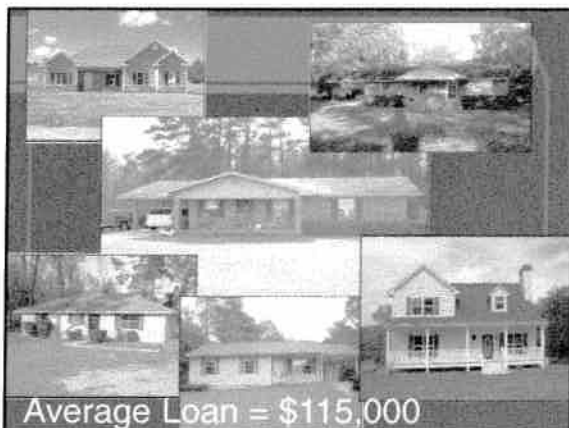
- Loans to Purchase a Home
 - Section 502 "Direct" Loan
 - Section 502 "Guaranteed" Loan
- Repairs to Homes
 - Section 504 Loan (<VL income)
 - Section 504 Grant (<VL income & 62+ years old, to remove health/safety issues, grantees cannot repay 1% loan)
 - Section 502 "Direct" Loan

Direct Program – Purchase loan

- “Direct” loans
 - No down-payment (100% LTV)
 - Made by USDA *directly* to homebuyer
 - Low Income limits
 - Example Hall County – Household of 4 - \$46,150
 - Limited funds usually
 - Subsidized payments & “subsidy recapture” at end of loan

How do the applicants apply?

- Contact the Area Office which services the county in which they are interested in purchasing
www.rurdev.usda.gov/oa
- The Area Office will
 - Process the application
 - Underwrite & Approve
 - Close Loan using local attorney
 - Service the loan with help of the Centralized Servicing Center (CSC)



Loan Servicing – Foreclosure Avoidance

- Direct Loans have “safety nets” that no other loans have:
 - Payment Assistance Subsidy – If income increases, so do payments. BUT if income goes down, so can payments
 - Moratorium – Suspension of payments for up to 2 years IF major loss of income, etc. Circumstances must be beyond their control & temporary. Principal & interest balance can be re-amortized at end of Moratorium & new payments based on household income
 - Delinquency Workout Agreements – An extra amount added to regular payments to catch up a delinquency within 2 years

Loan Servicing

- Handled by our
“Centralized Servicing Center”
in St. Louis, MO
- 1-800-414-1226

Guaranteed Program

- “Guaranteed” loans
 - Made by approved USDA Lenders
 - No down-payment, but 3 ½ % fee (103.5% LTV)
 - No Mortgage Insurance
 - Up to 115% of “median income” (low to moderate)
Example: Hall Co. family of 4: \$74,060 max
 - Plenty of Funds usually
 - Full note rate payment (no subsidy)

How do applicants apply for a USDA Guaranteed Loan?

- Apply through a USDA approved lender or a broker who works through a USDA approved lender
- The USDA approved lender will submit the underwritten package to RD for review
- RD will review the underwriting package and issue a Conditional Commitment for the loan to close
- Loan will close and USDA approved lender will submit the closing package requesting the Loan Note Guarantee

Guaranteed Loan Servicing

- Serviced by Lender / Lender's Servicer per their guidelines



Helpful Websites

- GA Homepage
 - www.nurdev.usda.gov/ga
- Eligibility
 - www.eligibility.sc.egov.usda.gov/
- Regulations
 - www.nurdev.usda.gov/regs

Thank you for your attention!!

Q & A Time ???



Have a Great Day!!
